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THE COSCON/KL/YMUK/HANJIN/SENATOR WORLDWIDE SLOT ALLOCATION AND SAILING AGREEMENT

FMC AGREEMENT NO. 011794-001

Second Edition

Classification: Cooperative Working Agreement, Slot Allocation Agreement and Sailing Agreement

Original Effective Date: April 28, 2002

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Federal Maritime Commission

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JUN 29 2003

BEFORE THE

FEDERAL MARITIME COMMISSION

FMC AGREEMENT NO. 011794-001

THIS AGREEMENT is entered into this 12th day of November, among COSCO CONTAINER LINES COMPANY, LIMITED ("COSCON"), KAWASAKI KISEN KAISHA, Ltd. ("KL"), YANGMING (UK) LTD. ("YMUK"), HANJIN SHIPPING CO., LTD. ("HJS") and SENATOR LINES GMBH ("SEN") referred to individually as "Party" and collectively herein as "the Parties".

WHEREAS, the Parties desire to cooperate with each other in containerized trades worldwide to obtain optimum efficiency of fleet operation and to maximize Slot utilization through Slot allocation, so as to offer improved services to the shipping public.

NOW, THEREFORE in consideration of the premises and of the mutual undertakings of the Parties, it is hereby agreed as follows:

1. NAME OF THE AGREEMENT

This AGREEMENT shall be referred to as "the COSCON/KL/YMUK/HANJIN/SENATOR WORLDWIDE SLOT ALLOCATION AND SAILING AGREEMENT."

2. PURPOSE OF THE AGREEMENT

2.1 The purpose of the Agreement is to permit the Parties to achieve efficiencies and economies in their respective services offered in the Trade covered by the Agreement. This Agreement does not authorize discussion of or agreement on rates or charges, thus no joint tariff shall be filed by the Parties under this Agreement.

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2.2 EC Law: the Parties intend this Agreement to be in conformity with European Community law and, in particular, in conformity with Regulation 17/62, Regulation 1017/68, Regulation 4056/86 and Regulation 823/2000. The Parties agree to monitor the terms and implementation of this Agreement and to take such measures as may be necessary in order to ensure such conformity is maintained.

3. PARTIES TO THE AGREEMENT

The Parties to this Agreement are:

(1) COSCO CONTAINER LINES COMPANY, LIMITED ("COSCON")
378, Da Ming Road (East), Shanghai, the People's Republic of China

(2) KAWASAKI KISEN KAISHA, LTD. ("KL")
Hibiya Central Bldg., 2-9, Nishi-Shinbashi 1 Chome, Minato-Ku, Tokyo 105, Japan

(3) YANGMING (UK) LTD. ("YMUK")
2nd Floor, Valentines House, 51-69 Ilford Hill, Ilford, Essex, IG1 2DG. U.K.

(4) HANJIN SHIPPING CO., LTD. ("HJS")
Hanjin Shipping Building 25-11, Yoido-dong, Youngdeungpo-ku Seoul, Korea

(5) SENATOR LINES GMBH ("SEN")
Martinistrasse 62-66
D-28195 Bremen, Germany

4. GEOGRAPHIC SCOPE OF THE AGREEMENT

The geographic scope of this Agreement shall cover all worldwide trades including inland and coastal points, subject to the limitations on joint activities set forth in Article 5. The

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foregoing geographic scope is hereinafter referred to as the "Trade".

5. AGREEMENT AUTHORITY

5.1 Coordination of Sailings

5.1.1 The Parties may consult and agree upon the deployment and utilization of Container Ships ("Vessels") in the Trade including, without limitation, sailing schedules, service frequency, ports to be served, port rotations, type and size of Vessels to be utilized, feeder arrangements, including the sale or exchange of feeder slots among them, the addition or withdrawal of capacity from the Trade and the terms and conditions of any such addition or withdrawal.

5.1.2. The Parties may consult, agree on and implement temporary capacity adjustments in the Trade.

5.1.3. The Parties shall not consult, agree on or implement the joint purchasing of feeder services to or from ports in Europe.

5.2 Reciprocal Slot Allocation

5.2.1 On such terms and conditions as the Parties may agree, the Parties may (a) exchange Slots on their respective Vessels with the other Parties and/or on Vessels on which they have chartered space, and (b) agree on the number of Slots to be exchanged.

5.2.2 On such terms and subject to such operating limitations as (a) the Parties may agree, or (b) may be imposed by applicable law, each Party shall accept for transportation and transport any and all containerized cargo and equipment tendered to it by another Party up to its allocation. As used in this Agreement, the term "equipment" includes, but is not limited to, containers owned or leased by the Parties, whether full, partially loaded or empty and other freight service equipment that the Parties may agree upon.

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5.2.3 Each Slot Charterer and any slot sub-charterer may advertise sailings by Vessels on which the Slot Charterer is allocated Slots under this Agreement.

5.2.4 A Slot Provider who fails to faithfully perform its obligations hereunder shall hold the other Parties harmless from and indemnify the other Parties against any losses, claims or damage arising from such failure, including but not limited to such losses, etc. from cargo owners/insurers, including attorney's fees and expenses. The details of apportionment and/or extent of the liability for loss or damage shall be agreed between the Parties in an implementing agreement.

5.3 Space

The Slot Provider will make available to the Slot Charterer in the trade the agreed number of slots or weighted deadweight tons per vessel, whichever is reached first, both Eastbound and Westbound, on vessels operated in the trade on terms and conditions to be agreed by the Parties.

The Slot Charterer shall pay the Slot Provider for the slots, used or not used, at rates and terms to be agreed between the Parties. Slot and cargo weight allocation including allocation of reefer slots may be adjusted from time to time subject to mutual agreement of the Parties. The Slot Provider is authorized to sell to the Slot Charterer additional slots over and above each allocation under this Agreement on such terms as the Parties may from time to time agree.

Initially the Slot Provider shall make available the following maximum number of slots on average per month on the Slot Provider's services in the Trade, with specific allocations on specific vessels as the Parties may decide from time to time.

COSCON shall make available to KL: 15,500 slots

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COSCON shall make available to YMUK: 15,500 slots
COSCON shall make available to HJS: 16,000 slots
KL shall make available to COSCON: 15,500 slots
KL shall make available to YMUK: 29,500 slots
KL shall make available to HJS: 16,000 slots
YMUK shall make available to COSCON: 15,500 slots
YMUK shall make available to KL: 24,000 slots
YMUK shall make available to HJS: 17,000 slots
YMUK shall make available to SEN: 2,000 slots
HJS shall make available to COSCON: 16,000 slots
HJS shall make available to KL: 16,000 slots
HJS shall make available to YMUK: 17,000 slots
SEN shall make available to YMUK: 2,000 slots

These maxima may be adjusted further, subject to unanimous agreement of the Parties and filing with the Federal Maritime Commission as appropriate.

5.4 Efficient Use of Equipment, Terminals, Stevedores, Ports and Suppliers

5.4.1 Subject to Article 5.4.2, the Parties may interchange, cross lease or sublease empty containers, chassis and/or related equipment to provide for the efficient use of such equipment on such terms as they may agree, provided that the Parties obtain all necessary regulatory approvals from the Commission of the European Communities for related activities in Europe. The Parties may also jointly contract with or coordinate in contracting with stevedores, terminals, ports and suppliers of equipment, land or services or may designate a Party to provide such services on the designating Parties' behalf. This Agreement does not authorize joint operation of any marine terminal by the Parties in the United States.

5.4.2 As regards the European Union, the Parties shall only have such authority as per Article 5.4.1 hereof insofar as inland or land-side operations are concerned to the extent permitted under applicable law, provided the Parties take all necessary steps to comply with the

requirements of Regulation 17/62 and Regulation 1017/68 applicable to such operations.

5.4.3 For the avoidance of doubt, any cross-lease will be agreed between the two parties thereto on a case by case basis.

5.5 No Joint Service, Pooling

The reciprocal Slot allocation, coordination of sailings and Vessels, and cooperative use of equipment, terminals, stevedores, ports and suppliers to the extent provided hereunder do not create a joint service or permit the Parties to pool cargo or revenue. Each Party shall utilize and maintain its own marketing and sales organizations and operate and manage its own Vessels. Each Party shall issue its own bills of lading regardless of whether the Party is acting as Slot Provider or Slot Charterer.

5.6 Documentation, Data Systems

The Parties may discuss and agree on terms and conditions of joint development, implementation, and interchange of documentation, data systems, information and data, other operating systems, and computerization and joint communication, including any joint negotiations, leasing or contracting relating thereto.

5.7 Foreign Operations

5.7.1 Subject to Article 5.7.2, the Parties may discuss and agree on use and rationalization of one another's feeder, port, terminal and intermodal operations within and between foreign countries. The Parties do not intend to bring foreign-to-foreign transportation under the jurisdiction of the U.S. Federal Maritime Commission, or to expand antitrust immunity beyond the scope of immunity granted by the Shipping Act of 1984, as amended.

5.7.2 As regards the European Union, the parties shall only have such authority insofar as inland or land-side operations are concerned to the extent permitted under applicable law,

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provided the Parties take all necessary steps to comply with the requirements of Regulation 17/62 and Regulation 1017/68 applicable to such operations.

5.8 Miscellaneous

The Parties may also discuss and agree upon such general administrative matters and other terms and conditions concerning the implementation of this Agreement as may be necessary or convenient from time to time, including, but not limited to, performance procedures and penalties, accounting procedures, procedures for weight and Slot allocations, allocation of reefer Slots, forecasting, terminal operations, stowage planning, schedule adjustments, record-keeping, responsibility for loss or damage, the establishment and operation of individual or joint tonnage centers, the terms and conditions for force majeure relief, insurance, liabilities, claims, indemnification, consequences for delays, and treatment of hazardous and dangerous cargoes.

5.9 Availability of conditions (Regulation 823/2000, Article 9(3))

The conditions concerning the maritime transport services provided by the Parties and each Party, including those relating to the quality of such services and all relevant modifications, shall be made available on request to Transport Users at reasonable cost and shall be available for examination without cost at the offices of each Party and its agents.

5.10 Service Arrangements (Regulation 823/2000, Article 8(a))

Each party shall offer its own Service Arrangements.

5.11 No detriment (Regulation 823/2000, Article 8(d))

No Party shall, within the Common Market, cause detriment to certain ports, Transport Users or carriers by applying to the carriage of the same goods and in the area covered by this Agreement, rates and conditions of carriage which differ according to the country of origin or destination, or port of loading or discharge, unless such rates or conditions can be economically

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justified.

6. AUTHORIZED REPRESENTATIVE

The following person shall have authority to sign and file this Agreement or any modification to this Agreement, and to respond to any requests for information from the U.S. Federal Maritime Commission and to delegate such authority to other persons.

(a) The Chief Executive, or a Vice President for a Party, or

(b) Legal counsel for a Party.

7. MEMBERSHIP, WITHDRAWAL, READMISSION AND EXPULSION

See Article 9.7.

8. VOTING

All matters decided under this Agreement, including amendments hereto, shall be by unanimous vote of the Parties. The Parties may meet wherever they decide for the purpose of implementing this Agreement; however, actions in implementation of this Agreement may also be taken pursuant to telephone polls of the Parties. A quorum shall exist if the authorized representatives of all Parties are present in person or by telephone contact.

9. DURATION AND TERMINATION

9.1 Unless otherwise agreed by the Parties, this Agreement shall be effective upon the date this Agreement becomes effective under the Shipping Act of 1984, as amended, but this Agreement and all modifications hereto shall be subject to all required approvals by government authorities, including the U.S. Federal Maritime Commission and the Commission of the European Communities. No cooperative working arrangement shall be carried out among the Parties hereto in regard to the Trade except as authorized herein. Failure of a Party to this Agreement to obtain approval of any authority, for any reason, shall not provide the basis for any

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recourse, liability or damages whatsoever.

9.2 Subject to Article 9.1 above, operations under this Agreement shall commence on January 1, 2003 and shall remain in force for a period of one year, unless terminated earlier by unanimous agreement of the Parties. Notwithstanding the above, this Agreement shall be automatically extended indefinitely after the expiration of the initial one year period unless terminated by the Parties or by operation of law.

9.3 Any Party may withdraw from this Agreement at any time by giving six months prior written notice to the other Parties of its intention to do so provided that the earliest such notice can be given is six months after January 1, 2003.

9.4 Notwithstanding the above provisions, this agreement may be terminated at any time by mutual consent of the parties.

9.5 If any Party becomes involved in any one of the following situations, any of the other Parties has the right, by giving written notice, to withdraw from the Agreement immediately without prejudice to any already accrued rights and obligations:

(a) Commencement of dissolution procedure;
(b) Filing of any bankruptcy or insolvency procedure involving any party;
(c) Making a general assignment or composition with its creditors.

9.6 Notwithstanding any other provision of this Agreement, in the event it is terminated or a Party withdraws it shall remain in force until each Vessel operated pursuant to this Agreement shall have completed discharging at the last port on the last leg of her final complete voyage which commenced prior to the effectiveness of such termination or withdrawal, and all accounts among the Parties under this Agreement are settled.

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9.7 By a majority vote, the Parties may expel a Party at any time if such Party is in a condition of serious financial distress adversely affecting its financial viability or is substantially unable to perform its obligations under this Agreement.

10. DEFINITIONS

10.1 Slot Charterer: the Party which obtains Slots on the services operated by another Party as Slot Provider under this Agreement.

10.2 Slot Provider: the Party which operates a Vessel owned or chartered by it and makes Slots available to the other Parties as Slot Charterers under this Agreement.

10.3 Slot: a cell designed to take a 20' type container conforming to ISO specifications.

10.4 Service arrangement: a contractual arrangement concluded between one or more Transport Users and a Party or the Parties under which, in return for an undertaking to commission the transportation of a certain quantity of goods over a given period of time, a Transport User receives an individual undertaking from the Party or the Parties to provide an individualized service which is of a given quality and specially tailored to its needs.

10.5 Transport User: any undertaking (such as shipper, consignee, forwarder (to the extent permitted under the applicable laws of the United States of America and other countries), NVOCC) which has entered into, or demonstrated an intention to enter into, a contractual agreement with the Parties (or Party) for the shipment of goods, or any association of shippers.

10.6 Regulation 17/62: Council Regulation (EEC) No 17 of 21st February 1962, First Regulation implementing Articles 85 and 86 of the Treaty, or any re-enactment or modification thereof for the time being in force.

10.7 Regulation 823/2000: Commission Regulation (EC) No 823/2000 of 19th April 2000 on the application of Article 81(3) of the EC Treaty to certain categories of agreements, decisions and concerted practices between liner shipping companies (consortia) or any re-

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enactment or modification thereof for the time being in force.

10.8 Regulation 1017/68: Council Regulation (EEC) No 1017/68 of 19th July 1968 applying rules of competition to transport by rail, road and inland waterway or any re-enactment or modification thereof for the time being in force.

10.9 Regulation 4056/86: Council Regulation (EEC) No 4056/86 of 22nd December 1986 laying down detailed rules for the application of Articles 85 and 86 of the Treaty to maritime transport or any re-enactment or modification thereof for the time being in force.

11. VESSEL ALIGNMENT AND PROVISION

11.1 The initial provision of vessels and their TEU capacities for each Party are set forth as below

COSCON will provide 41 vessels of approximately 161,143 TEU capacity.
KL will provide 31 vessels of approximately 132,110 TEU capacity.
YMUK will provide 24 vessels of approximately 103,908 TEU capacity.
HJS will provide 61 vessels of approximately 266,562 TEU capacity
SEN will provide 2 vessels of approximately 5,322 TEU capacity.

A Party may not permanently (meaning for more than 90 calendar days) increase or decrease its number of vessels and/or TEU capacity by more than fifteen percent unless this Article 11.1 is amended and effective under the Shipping Act to reflect such increase or decrease; provided that SEN may change the number of its vessels by up to two and the number of its TEU by up to 6,000 without such amendment. The Parties will submit to the FMC Quarterly Reports stating the current services, vessels and TEU capacities under this Agreement and any anticipated changes over the subsequent six-month period. The Parties shall consult and agree on the number, size and type of Vessels to be provided by each party hereunder and operated in the Trade. The Parties shall consult prior to employment in the Trade of any tonnage in excess of that previously scheduled. The Vessels may be owned, demised, or time-chartered by the Slot Provider.

11.2 The Vessel alignment and provision for all services shall be as agreed from time to time. The Slot Provider may replace any of the Vessels in the services with a comparable one which shall be in the same or better condition in terms of its service performance, which includes speed and transit time in the Trade. All extra expenses resulting from such replacement shall be for the account of the Slot Provider.

11.3 Slot Hire: Slot hire shall be as agreed upon from time to time.

11.4 Total Loss, Constructive Total Loss

11.4.1 In case of a Vessel being declared an actual or constructive total loss, the Slot Provider shall provide a substitute vessel within two months, provided that such substitute vessel is, in terms of capacity and speed, reasonably comparable with or better than the remaining Vessels in the service.

11.4.2 The Slot Provider of the lost Vessel shall give the other Parties a written notice immediately from the date of an actual total loss or constructive total loss.

11.4.3 The other Parties shall have the option to declare off-hire for the allocated Slots of a lost Vessel until the substitute Vessel has been placed into service.

12. MARKETING AND DOCUMENTATION

Each Party shall retain its separate identity and market its own service with its own independent marketing organization, and shall make information as to the services available to all customers.

13. HARDSHIP

13.1 Notwithstanding Article 9, during the effective period of this Agreement, if the consequences of any Force Majeure described in Article 14, or boycott against one flag or a political ban against one Party to this Agreement, causes substantial frustration of the objectives of the Agreement, then the Parties shall meet in a spirit of goodwill and are bound to adapt the terms of this Agreement to these circumstances. If the Parties fail to reach an agreement within sixty (60) days, any Party may withdraw from this Agreement immediately upon written notice.

13.2 In the event one of the Parties is merged with or sold to a third party which continues to operate in the Trade covered by this Agreement, then such other party shall be

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bound by the terms of this Agreement and continue to provide Slots under the terms of this Agreement to the Parties who were not subject to the merger. The merging Party shall include in the merger agreement a clause requiring the merged entity to honor this Agreement and give prior written notice to the other Parties of such merger or sale. Any of the non-merging Parties shall have the right to withdraw from this Agreement on ninety (90) days written notice.

14. FORCE MAJEURE

Performance under this Agreement shall be excused to the extent it is frustrated by the existence or apprehension of war (declared or undeclared), hostilities, warlike or belligerent acts or operations, riots, civil commotion, terrorism or other disturbances; closure of, obstacle in or danger to any canal, blockage of port or place or interdict or prohibition condition or restriction of any kind on calls by any Party's vessel at any port, which result in such vessel's practical inability to call at such port, or any restriction on commerce or trading; governmental action, including but not limited to quarantine, sanitary or other similar regulations or restrictions; strikes, lockouts or other labor troubles whether partial or general and whether or not involving employees of a Party or his sub-contractors; congestion of port, wharf, sea terminal or any other place; shortage, absence or obstacles of labor or facilities for loading, discharge, delivery or other handling of cargo; epidemics or disease; bad weather, shallow water, ice, landslide or other obstacle to navigation or haulage.

15. SUPERSESSION

Should any document, such as a relevant charter party, contain clauses and/or provisions that are or could be interpreted as being contrary to the terms of this Agreement, the terms of this Agreement shall prevail.

16. NON-ASSIGNMENT

16.1 Except as provided in 13.2 or 16.2 no Party shall assign, transfer, subcontract, change, or otherwise dispose of any rights and duties in this Agreement to any person, firm, or corporation without the prior written consent of the other Parties.

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Nevertheless, the Slot Provider is authorized to release Slots on its owned service to the third Party without consent of the Slot Charterer. The Slot Charterer is authorized to release Slots to the third Party subject to prior written consent of the Slot Provider.

16.2 Notwithstanding the provisions of 16.1 supra., re-allocation of Slots to Yang Ming Marine Transport Corporation ("YML") by YMUK of slots on COSCON, KL and HJS/SEN services is authorized.

16.3 The Slot Charterer shall not be authorized to enter into any other agreement on behalf of the Slot Provider whether relating to navigation, operation or management of the Vessel or otherwise.

17. LANGUAGE

This Agreement and all notices, communications or other written documents related to this Agreement shall be in the English language. If any document related to the Agreement cannot be in the English language, it shall be accompanied by an English translation.

18. ARBITRATION AND GOVERNING LAW

18.1 The interpretation of the Agreement and all rights and obligations shall be governed by the Laws of England

18.2 Any dispute or claim arising under this Agreement which cannot be amicably resolved by the Parties shall be referred to arbitration, in London. Unless the Parties agree upon a sole arbitrator, one arbitrator shall be appointed by each Party. In case of an arbitration on documents, if the two arbitrators so appointed are in agreement their decision shall be final. In all other cases the arbitrator so appointed shall appoint a third arbitrator and the references shall be to the three-man tribunal thus constituted. If either of the appointed arbitrators refuses to act or is incapable of acting, the Party who appointed him shall appoint a new arbitrator in his place. If

one Party fails to appoint an arbitrator, whether originally or by way of substitution for two weeks after the other Party, having appointed his arbitrator, has (by telex, fax or letter) called upon the defaulting Party to make the appointment, the President for the time being of the London Maritime Arbitrators Association shall, upon application of the other Party, appoint an arbitrator on behalf of the defaulting Party and that arbitrator shall have the like power to act in the reference and make an award and, if the case so requires, the like duty in relation to the appointment of the third arbitrator as if he had been appointed in accordance with the terms of the Agreement. This Agreement is governed by English Law and there shall apply to all proceedings under this clause the terms of the London Maritime Arbitrators Association current at the time when arbitration proceedings were commenced. All appointees shall be members of the Association.

18.3 Provided that where the amount in dispute does not exceed the sum of US$50,000 (or such sum as the Parties may agree) any dispute shall be resolved in accordance with the Small Claims Procedure of the London Maritime Arbitrators Association.

19. IMPLEMENTATION DATE

The implementation date of this Amendment 001 is January 1, 2003. During the phase in period, each Party will deploy its vessels and TEU capacity in Article 11.1 and plans to be at full deployment by April 1, 2003.

20. SENATOR'S RIGHTS

Senator has the contractual rights and obligations provided by this Agreement but is not an ocean common carrier as defined in the Shipping Act of 1984, as amended, and has no antitrust immunity based on said Act.

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IN WITNESS WHEREOF, the Parties have caused this amendment to the Agreement to be executed by their respective duly authorized representatives or attorneys in fact as witnessed below:

COSCO CONTAINER LINES COMPANY, LIMITED

By: _____

KAWASAKI KISEN KAISHA, LTD

By: _____

YANGMING (UK) LTD.

By: _____

HANJIN SHIPPING CO., LTD.

By: _____

SENATOR LINES GMBH

By: _____

Date: May 13, 2003